



Nothing is more essential to restoring the economy, revitalizing our communities, and protecting the environment than the effort to rebuild and renew America. The U.S. faces steep infrastructure challenges. Many of our roads, bridges, water and sewer systems are in poor repair and much of it is them are outdated—not just decades, but often centuries old.

Efforts to rebuild and renew infrastructure are stalled because of a funding impasse. The Highway Trust Fund that provides money for road and highway projects has nearly exhausted its funding several times recently and it is clear that our existing sources of funding are insufficient to meet current, much less future, needs. Congress should consider new revenue sources to meet our infrastructure challenges and must work with transportation users to find the most efficient means of raising this revenue.

Solution

Congressman Blumenauer has introduced the Heavy Truck Tax Fairness Act, HR 4321. This bipartisan legislation will ease barriers to investment in new, heavy trucks, creating local jobs and providing more stable funding for the Highway Trust Fund.

The funding sources for the Highway Trust Fund can be volatile, depending on the health of the economy. Currently there is a 12% tax on the sale of new heavy trucks, trailers, and certain tractors. This tax is an important source of Highway Trust Fund revenues. In times of economic stress, the sale of new trucks and trailers falls dramatically, reducing Trust Fund resources.

These lost sales have several important effects. By reducing revenue to the Trust Fund, economic productivity is hurt with rising costs associated with poor infrastructure. The average

age of the trucking fleet also increases, which is not necessarily a good thing. New trucks are significantly better for the environment creating less pollution and they are safer. Congress should make it easier for companies who want to upgrade their fleets purchasing new trucks. Jobs will also be created. To meet the demand for new vehicles, many truck manufacturers will add employees—including those in Oregon, as most have significant engine and assembly operations in the U.S.

The Heavy Truck Tax Fairness Act would replace the 12% excise tax currently levied on new truck, trailer, and certain tractor sales with an off-setting increase in the diesel fuel excise tax of \$0.064 per gallon. This modest change keeps the total tax burden roughly equivalent over 10 years. It will also have the effect of stabilizing the resources available to the Highway Trust Fund so that the U.S. can continue investing in critical bridges and highways.

This legislation is supported by many organizations including the American Truck Dealers and the California Trucking Association. However, it does not affect all transportation stakeholders equally. In particular, some smaller companies and owner-operators could see fewer benefits. Blumenauer is working with affected groups as this legislation advances to ensure that the bill, when enacted, is as carefully tailored and broadly beneficial as possible.



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